REMARKS

Rejections

Rejections under 35 U.S.C. § 103

Claims 1-27, and 34-40

Claims 1-27, and 34-40 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Van der Schaar, et al., U.S. Patent No. 6,788,740 (previously cited) in view of Wu, et al.,U.S. Patent No. 6,700,933. Wu qualifies as prior art only under 35 U.S.C. § 102(e) because it issued after Applicant's effective filing date. Applicant does not admit that Wu is prior art and reserves the right to challenge the reference at a later date.

Applicant's invention as claimed in claims 1-5, 12-15, 23-27 and 34-38 uses the *same* quantized value to create both the base and enhancement layers:

> each quantized value having an integer part representing a base layer and a fractional part representing enhancement layers

Applicant's invention as claimed in claims 6-11, 16-22, 39 and 40 decodes an enhancement layer into the fractional part of the quantization value for the input data.

Van der Schaar discloses that a base layer is represented by the absolute value of a quantized DCT coefficient (qcoeff), which is generated by a quantization module 216 from a DCT coefficient (coeff). An enhancement layer is encoded from a residual signal using an FGS frame encoder 256. The residual signal is the difference between the quantized DCT coefficient "qcoeff" and its inverse (dqcoeff). Thus, the encoder 256 does not create an enhancement layer from the same DCT coefficient "coeff" used to create the base layer. Moreover, the encoder 256 performs bit-plane compression to create the enhancement layers from the residuals (col. 3, lines 23-37). As well known, bit-plane compression encodes the absolute value of the residuals in binary form (col. 2, lines 43-61, *see* step 3). There is no disclosure in van der Schaar that teaches or even suggests that it is mathematically possible for the encoder 256 to generate a value equal to the fractional value of the quantized DCT coefficient "qcoeff". Therefore, the Examiner's interpretation that van der Schaar discloses creating base and enhancement layers from the integer and fractional values of the same quantized DCT coefficient is not supported

by van der Schaar's disclosure. Furthermore, van der Schaar's decoder decodes the enhancement layers back into the residual values, not into the fractional part of the quantization value for the input data.

Like van der Schaar, Wu does not use the same value to create the base and enhancement layers. The base layer is created from quantized input data. The enhancement layers are created from residual values.

> At step 702, the low quality enhancement layer encoder 508 encodes a bitstream representing a low quality enhancement layer. This is done by ***encoding low quality residues*** that result from the low quality prediction of motion compensated images. At step 704, the high quality enhancement layer encoder 509 encodes a bitstream representing a high quality enhancement layer based in part on values predicted from the base layer and the low quality enhancement layer. This can be accomplished by ***encoding predicted high quality residues*** that are predicted in part from the low quality residues. [Wu: col. 22, lines 48-60 (emphasis added)]

In addition, the enhancement layer encoders perform bit-plane compression to represent the residues as binary values in the enhancement layers (*see* Figure 13. col. 13, lines 24-45, and col. 20, lines 25-41). Similarly, Wu's decoding of the enhancement layers produces residues, not the fractional part of the quantization value for the input data.

Because both van der Schaar and Wu create enhancement layers from residual values and not from the quantized values used to create the base layer, the combination does not teach or suggest each and every one of Applicant's claim limitations. Furthermore, the enhancement layers in both van der Schaar and Wu are represented by binary values, not fractional values. Therefore, the combination cannot render obvious Applicant's invention as claimed in claims 1-27, and 34-40, and Applicant respectfully requests the withdrawal of the rejection of the claims under 35 U.S.C. § 103(a) over the combination of van der Schaar and Wu.

Claims 28-33, and 41-44

Claims 28-33, and 41-44 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over De Bonet, et al. U.S. Patent No. 6,510,177 (previously cited) in view of Wu.

The Examiner asserts that De Bonet discloses decoding an enhancement layer bitstream into quantized fractional values as claimed by Applicant. However, De Bonet's

enhancements layers are created from DCT or PWC coefficients. De Bonet does not even suggest using fractional values of a quantized coefficient to represent an enhancement layers. In fact, De Bonet does not disclose using the fractional value of a quantized coefficient for any purpose. Thus, De Bonet's decoder cannot be properly interpreted as decoding an enhancement layer into a quantized fractional value.

The Examiner is relying on Wu as disclosing decoding an enhancement layer into a fractional part of a quantization value for input data. However, Wu's enhancement layers represent residual values. Thus, Wu's decoding of the enhancement layers produces residues, not the fractional part of the quantization value for the input data as claimed.

Therefore, the combination of De Bonet and Wu cannot render obvious Applicant's invention as claimed in claims 28-33, and 41-44, and Applicant respectfully requests the withdrawal of the rejection of the claims under 35 U.S.C. § 103(a) over the combination.

SUMMARY

Claims 1-44 are currently pending. In view of the foregoing remarks, Applicant respectfully submits that the pending claims are in condition for allowance. Applicant respectfully requests reconsideration of the application and allowance of the pending claims.

If the Examiner determines the prompt allowance of these claims could be facilitated by a telephone conference, the Examiner is invited to contact Sue Holloway at (408) 720-8300 x309.

Deposit Account Authorization

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any charges that may be due. Furthermore, if an extension is required, then Applicant hereby requests such extension.

Respectfully submitted,

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